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Alternative Investments Platform iCapital Launches Marketplace

The new platform seeks to bridge the gap that separates asset managers, advisors and clients from alternative investments.

Rob Burgess | Jun 14, 2023

Alternative investing platform provider iCapital announced Wednesday the launch of iCapital Marketplace, which seeks to connect advisors with alternative investments offered by providers and asset managers.

iCapital Marketplace seeks to bridge the gap that separates asset managers, advisors and clients from alternative investments, according to the company.

William Trout, director of wealth management for Javelin Strategy and Research, said this new platform is working to give asset managers more control of distribution and proximity to the advisors who are the end consumers.

“Empowering the asset manager is very consistent with what they are trying to achieve broadly in terms of personalization,” said Trout.

The service allows asset managers to offer funds to the network of wealth managers and advisors on its platform, and the option to use diligence services supported by iCapital.

The platform also features educational tools, such as market insights, webinars and training modules.

Asset managers will also be able to fundraise through iCapital Marketplace and manage distribution themselves, according to the company.

Asset managers have historically suffered from being reduced to the role of product manufacturers “where they’re somewhat estranged from the financial advisor who kind of buys products off the shelf if you will,” said Trout.

“This is in keeping with sort of the mindset of the industry and the desire to have more visibility on the needs of financial advisors and be able to deliver compliance and, presumably, customizable alt solutions for financial advisors,” said Trout.

Trout said this new platform is pushing into a space that historically has been targeted by CAIS and new players like Opto Investments that are very focused on the RIA business.

“I think this is recognition of the locomotive roll of the RIA channel in U.S. wealth management,” said Trout. “It’s both a growth vector in that it’s the fastest-growing channel but you can also call it a bellwether for trends taking place in the industry more broadly,” he said, pointing to increased interest in customization and new types of asset classes, including things like private credit.

Trout said the compliance angle is necessary for asset managers in the alts space to touch the advisor.

“This is giving them a bigger role in terms of distributing rather than gating the asset manager—giving them more access to the wealth manager, I think is pretty important. And it’s where the puck is heading,” said Trout. “It makes total sense.”

More than a dozen managers participated in the prelaunch of iCapital Marketplace, including Audax Private Debt, Blackstone, Carlyle, CrowdStreet Advisors, Fidelity, FS Investments, Henderson Park, John Hancock Investment Management, Kayne Anderson, Net Lease Capital, Partners Group, RedBird Capital Partners, Steele Creek Capital and Sealy & Company.

iCapital was founded in 2013 and services over \$157 billion in global client assets, of which nearly \$30 billion are from international investors across

more than 1,270 funds, as of the end of April. Employing more than 1,130 people globally, iCapital is headquartered in New York City and has offices worldwide, including in Zurich, London, Lisbon, Hong Kong, Singapore and Toronto.

In July 2021, iCapital announced it had raised \$440 million from an international cohort of new and returning investors, valuing the firm at \$4 billion. In May 2022, iCapital announced it would acquire competing platform SIMON Markets, a Goldman Sachs spinoff.